country, as, for example, by benefiting wage-earners at the greater expense of landowners (p. 114), but these combinations are rare and unstable and their importance is more theoretical than practical.

In general, it may be said that the book is carefully written and its philosophy will make a wide appeal among economists as being fundamentally sound.

While there is an obvious logical connection between the two parts of the book, the reviewer believes that its value as a textbook would be enhanced were it published in two volumes. It is, on the whole, too heavy to be injected as a textbook in an introductory course in general economics; and, if it is to be used in more advanced courses, it will need to be divided. Part I, on The Exchange Mechanism of Commerce, would in most colleges fall under the course in money and banking, while part II, on The Economic Advantages of Commerce, would fall under the course in some such subject as commerce and commercial policies.

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Money and Banking. By John Thom Holdsworth. (New York: D. Appleton and Company. 1914. Pp. 439. $2.)

Designed chiefly to serve as a textbook in colleges and universities and for young business men who are pursuing studies in this field, this volume promises to take high rank among works of its kind. It possesses to an unusual degree the essential qualities of an introductory manual, most notably, perhaps, a clear and simple, almost conversational, style.

Of some 400 well-packed pages, 120 are devoted to money and credit, and the remainder to banking. Although his treatment of the history and theory of money is thus compressed, some may say disproportionately so, the author has succeeded in giving an admirable historical account of money, with special reference to the United States. His discussion of the principles of money is of scarcely less merit. While the quantity theory of money is stated by paraphrasing and quoting from Professor Fisher's *Purchasing Power of Money*, the relative proof is wisely, according to the reviewer, left to be developed by the instructor. In general, where controverted points are discussed, the method is that of presenting both or all sides, allowing the reader to choose or to effect a compromise. This policy of avoiding debatable

ground or of merely pointing it out, seems to have been pursued somewhat too far, even for the purposes of the general reader. Thus, the relation between the money supply and the rate of interest is entirely omitted. Further, in connection with the probable future production of gold, as urging that prices will soon cease to rise, the author quotes Professor Meade: "Every time a new bank is organized, and the number is rapidly increasing, a certain amount of money must be withdrawn from circulation and put into the bank's reserve. This represents an increasing demand upon the world's money supply. . . . " (p. 79). Without pointing out that the price lifting influence of money taken from circulation and put into bank reserves is thereby greatly augmented, the author concludes by saying, "Professor Fisher takes the opposite view, holding that the outlook is toward a continued rise in prices due to a continued increase in the gold supply." Elsewhere, as here, the book is free from dogmatism and controversy.

The last chapter of part I defines and classifies credit, and acquaints the student with various instruments of commercial and bank credit. The effect of credit on prices is analyzed carefully and accurately.

A striking feature of part II, on banking, is the restricted space given to the history of the subject and the proportionate increase in the pages devoted to the treatment of banks and bank operations of the present time. Another distinctive feature is the stress laid upon the practical aspects of the subject. The very excellence of a chapter on Administration is sufficient answer to the question whether an elementary text should describe the internal working of a bank. While the entire book is very creditably written, the two last chapters on Defects of National Banking System and the Federal Reserve System are not only of greatest current interest, but also exceedingly well done. Passages throughout the text are enforced by reproductions of forms of great variety, ranging from the cashier's check to the commercial letter of credit. While the great body of literature on the subject has been skillfully drawn upon, the book is not devoid of new material.

A few errors and repetitions have crept in, due in part to lapses on the part of the proof-reader. The capital requirements of national banks are given twice in one chapter (pp. 153 and 160) and stock ownership requirements for national bank directors are stated three times (pp. 153, 161, 165). In one extreme instance, repetition was turned into contradiction (pp. 48 and 152). The

law, the date of the passage of which is here involved, providing for a 10 per cent tax on all state bank notes, was approved March 3, 1865, to become effective July 1, 1866 (13 Statutes at Large, p. 484). Other cases of oversight are almost as costly, as on pages 224 and 151, respectively, where it is stated that the pound sterling contains about 11.3 grains and that the independent treasury system was established in 1864.

These slight defects seem to indicate merely that our author was hastening his steps to complete a work which, taken as a whole, is admirable indeed.

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Rural Credits. Land and Coöperative. By MYRON T. HERRICK and R. INGALLS. (New York: D. Appleton and Company. 1914. Pp. ix, 519. $2.00.)

Ambassador Herrick, as he tells us in the preface, has had a wide and varied experience in American political and business life, has been an important officer of a large savings institution, and has also had opportunities to study credit conditions abroad. We know that he has given much thought to the problem of rural credit and was one of the pioneer agitators for its reform. Hence this book naturally awakens a lively interest and encourages a hope that at last here is something really authoritative. The reviewer regrets the necessity of recording his opinion that disillusionment and disappointment await the reader.

The book is almost entirely lacking in analysis, and though containing some excellent descriptive writing it gives but little information that was not already easily available. There is much repetition, a great deal of extraneous matter concerning the coöperative movement in general, and, possibly owing to the fact that the book is the joint work of Mr. Herrick and Mr. Ingalls, many irreconcilable and conflicting statements.

The book is in two parts. The first deals with long-term credit and describes the long-term credit facilities in all the leading countries of the world. Particular attention is given to the discussion of the German *Landschaften*, the description of which is excellent. The second part deals with coöperative short-term credit but adds very little to the information already available. There is also a final chapter on Principles of Coöperative Credit and Their Application.